



**Connecticut
Light & Power**

The Northeast Utilities System



The Northeast Utilities System

**TESTIMONY OF STEPHEN GIBELLI
THE CONNECTICUT LIGHT AND POWER COMPANY
and YANKEE GAS SERVICES COMPANY**

**Energy and Technology Committee
February 20, 2014**

**RE: SENATE BILL 110, AN ACT CONCERNING FRAUD PREVENTION IN CONNECTICUT'S
UTILITY TERMINATION PROTECTION PROGRAMS**

Good afternoon Senator Duff, Representative Reed and members of the Committee. My name is Stephen Gibelli, Assistant General Counsel for Northeast Utilities Service Company. I am appearing today on behalf of CL&P and Yankee Gas. With me today is Sharon Eberman, Director of Credit and Collections for NUSCO.

We thank the members of the committee for introducing this bill and appreciate the opportunity to testify here today. We are in favor of Senate Bill 110, with just one minor change, which I describe later in my testimony.

We sympathize with customers who cannot pay their bill due to a hardship of some kind. CL&P takes pride in working closely with customers on payment options, seeking to ensure that they pay some portion of their bill, and do not fall too far behind on their payments. We offer many programs to help customers, and communicate with our customers in many forms on many occasions throughout the year to ensure that they are aware of the resources available to them. The original intent of the existing legislation was to help low income customers with a serious or life threatening condition avoid termination. However, unfortunately, the current system allows customers to establish a claim for medical hardship without appropriate safeguards. Customers who have the full ability to pay their bill should not be eligible under this program. The changes proposed in this legislation ensure that the original intent of the language is fulfilled, and that those customers who need protection are afforded such protection.

Current law allows a customer with a serious illness or life threatening medical condition to receive protection from utility termination if such condition necessitates the need for continued electric

service. Our experience has been that in many instances such protection from termination can lead to situation where large balances accrue in a customer's account. Often, these balances remain unpaid until the utility writes them off, and then all other customers pay for these uncollectible balances in their utility rates. The current law does not create a link between low income hardship status and such medical condition. We have seen instances where customers have the full ability to pay their bill, yet claim a medical condition, and end up accruing large account balances, with no recourse for the utility to terminate the customer for non-payment.

Senate Bill 110 requires a customer that claims a life threatening situation to obtain a certification from a licensed physician or an advanced practice registered nurse, attesting to such condition. Such a provision will ensure that only customers with a verified need for uninterrupted electric service are afforded such protection.

The proposed legislation also requires that a customer claiming such a condition must also submit a worksheet verifying that they are indeed unable to pay their bill. Currently, 78% of customers coded in our system with a medical condition are not also coded as low income, indicating the ability for these customers to at least partially pay their bills. 39.6% of CL&P and Yankee's total accounts receivable balance that is greater than 120 days in arrears are attributable to medically coded accounts, indicating that, without the ability to terminate these customers, uncollectible write offs continue to be large and are then paid for by all other customers. With our proposed change, a customer who claims to have a medical condition warranting protection from service termination will not receive protection from termination if they have the financial means to pay their bill. This will have the effect of reducing uncollectible balances and lowering bills for all customers.

We respectfully request that the committee consider two minor changes to the legislation, to ensure that the intent of establishing an income verification threshold is clearly identified. On Lines 34 & 35 of the .pdf version of the bill, we request that the language ""the customer has submitted the worksheet required" be replaced with "the utility or its designee has reviewed the worksheet submitted by the customer as required under subsection (g) of this section and determined that (A) the household income is less than three hundred per cent of the poverty level determined by the federal government, and (B) the liquid assets are less than ten thousand

dollars." Similarly, on Lines 132 & 133 of the .pdf version of the bill we request that the language "the customer submits the worksheet required under subsection (g) of section 16-262c, as amended by this act, and" be replaced with "the utility or its designee has reviewed the worksheet submitted by the customer as required under subsection (g) of section 16-262c, as amended by this act, and determined that (A) the household income is less than three hundred per cent of the poverty level determined by the federal government, and (B) the liquid assets are less than ten thousand dollars, and".

Thank you for the opportunity to provide testimony on this bill.